

WHAT'S NEW IN JUNE 2002

DAP RELEASE 1.4.5

FOR LENDERS

A&E

- ◆ On the Assignment Tab, the Complete field is a required field.
- ◆ On the Revenue and Non-Revenue Unit Composition Tabs, Building Type is a new required field, and a new functionality was added to allow users to copy composition units.
- ◆ On the Site Tab, on the Site Info Window, the Site Square Feet and Site Acres fields are now required fields.

Cost Analysis

- ◆ On the Assignment Tab, the Complete field is a required field.
- ◆ On the Remarks/Notes Tab, the following updates occurred:
 - Est. Construction Start Date, Months to Completion, and Accept Contractor's Estimate are required fields.
 - The Change Accept Contractor's Estimate button is now two radio buttons, Accepted and Not Acceptable.
 - Validation error message was revised to eliminate confusion, "Please enter the Est. Construction Start Date in the Remarks/Notes Tab and save before proceeding."
- ◆ When completing a Cost Assignment for a 223(f) project, repair costs are no longer mandatory and the system does not require the user to enter the repair costs.
- ◆ For Rehab Cost Not Attributable, if you enter a value in Rehab Cost Not Attributable field, you must enter a value in Project Not Attributable Square Feet. However, if you enter a value in Project Not Attributable Square Feet, you do not have to enter a value in Rehab Cost not Attributable.
- ◆ For 223(f) projects, entering repair costs is not required.

Valuation

- ◆ On the Assignment Tab, the Complete field is a required field.
- ◆ For Neighborhood and Site Information, on the Additional Land Info Tab, the Option to Buy field is a new field.
- ◆ For Estimate of Income, on the Rent Schedule Maintenance Window, the Unit Rent Per Month, Rentable Area, and Quantity fields are required fields.
- ◆ Also, for Estimate of Income, the following updates occurred:
 - Users are no longer required to enter any Rent Comparables.
 - Building Type is a new, required field on the Rent Schedule List, Rent Schedule Maintenance Window, and the A&E Rent Schedule List Window. Users can make a selection from a drop-down list or view the Building Type from A&E.

- ◆ For Estimate of Annual Expense, users are no longer required to enter Operating Expense Comparables.
- ◆ For Estimate of Annual Expense, users are no longer required to enter Operating Expense Comparables.
- ◆ If you enter a Leased Fee amount, the system will require you to enter a Cap Rate amount on the Income Approach to Value window and Neighborhood and Site Info window.
- ◆ For 223(f) projects, the Appraiser must enter the required Summation value within the Reconciliation tab. When closing a Valuation assignment, the system verifies that the Appraiser has entered a Summation value greater than zero (0).
- ◆ For Reconciliation, the Summation and Fair Market Value fields for 223(f) projects are now required fields.

Mortgage Credit

- ◆ On the Assignment Tab, the Complete field is a required field.
- ◆ When linking to a Valuation assignment or copying a Mortgage Credit assignment, the system no longer checks for new participants.
- ◆ For Credit Analysis, the following updates occurred:
 - The Number of Business Concerns field was removed as users do not have to enter a credit report for applicable participants, and the system no longer validates reviewed credit reports for ten percentage of the business concerns.
 - Entering Credit Reports are optional now.
 - Credit Status must be set for participants with the following roles: Prime Contractor, General Partner, Mortgagor, Sponsor/Developer, and Limited Partner with 25% interest or more. User must still set the Recommended Credit Status for the Mortgagor, Limited Partner (with 25 percent or more interest), General Partner, and General Contractor.
- ◆ For Financial Analysis, the following updates occurred:
 - The functionality for balance sheets that is currently in the system has been replaced with a more streamline process. Users can create, edit, and delete multiple balance sheets for a participant. Balance sheet data consist of the following:
 - (1) Net Working Capital Amount (enter a positive or negative amount or zero);
 - (2) Period Ending Date (a unique date that is no greater than today's date; cannot be the same date as other balance sheets in the project);
 - (3) Statement Type (type must be Audited or Unaudited); and
 - (4) Review Date (system-generated; the date balance sheet is created).
 - If all balance sheets are deleted, the system will change the Recommended Financial Status to Unevaluated.
 - If the Source of Funds Indicator is checked when all balance sheets are deleted, the system will uncheck the field.

- For Mortgagor, Limited Partner, General Partner, General Contractor, and Sponsor/Developer participants, the user must create the balance sheet before setting the Recommended Financial Status.
- ◆ For Project Analysis, the following updates occurred:
 - On the Recommendation Tab, the MCE can set the project recommendation to Approved only if there is enough total cash available and the 2530 statuses for all participants are approved. For existing assignments, the system requires you to change the recommendation to Rejected if these conditions are not met.
 - If the user does enter a credit report, when setting the Recommended Credit Status, the system will check to make sure the user has entered and reviewed one credit report for the participant and that it has not expired.
 - The following are included when determining the recommendation status:
 - (1) If the user has not entered Recommended Credit Status or Financial Status for a Mortgagor, LP (with 25 percent or more interest), GP, General Contractor, or Sponsor/Developer, a message displays indicating the missing RCS or RFS needs to be set.
 - (2) The system will check for an expired credit report only if the user enters a reviewed credit report.
 - (3) The system Recommendation Status equals Approved, when:
 - (a) Cash Available is greater than or equal to Cash Required.
 - (b) All participants' 2530 statuses equals Approved.
 - (c) For applicable participants, of the Credit Report(s) entered, the latest Credit Reports are not expired.
 - (d) For applicable participants, of the Balance Sheet(s) entered, the latest Balance Sheets are not expired.
 - (4) HUD MCE can set the Recommendation Status to Approved, when:
 - (a) Cash Available is greater than or equal to Cash Required.
 - (b) All participants' 2530 statuses equal Approved.
 - (c) For applicable participants, of the Credit Report(s) entered, the latest Credit Reports are not expired.
 - (d) For applicable participants, of the Balance Sheet(s) entered, the latest Balance Sheets are not expired.
 - For Underwriting Summary for a 223(f) project, if there are no repair costs, the FHA inspection fee is calculated and viewed by the Mortgage Credit Examiner (MCE). If Repair Cost is equal to zero or Repair Cost for each unit is less than or equal to \$3,000, the FHA Inspection Fee = \$30 x number of dwelling units (revenue plus non-revenue), otherwise 1 percent of the Repair Cost.
 - Settlement Requirements: For 221(d)(4) and 220 projects, Land Indebtedness is defaulted from HUD-92264, Section J, Line 13(6), Total Cost to Sponsor. If the user deletes the defaulted value, the Land Indebtedness field is set to zero by the system.

Reports

- ◆ A&E Reports: The HUD 92264 Section C Report and the 92264 Section C-27 Report displays the building type code in the Family Type Unit column as follows:
 - DH – Detached
 - HR – Highrise
 - WU – Walkup
 - SD – Semi-Detached
 - MR – 2-5 Story Elevator
 - RH – Row House
 - TH – Town House
- ◆ Valuation Reports:
 - The HUD-92273, Estimates of Market Rent by Comparison report, has been removed from the list of available Valuation Reports because the rent comparables function was removed from the Estimate of Income section in the Valuation subsystem.
 - The HUD-92274, Operating Expense Analysis Worksheet report, has been removed from the list of available Valuation Reports because the expense comparable function was removed from the Estimate of Annual Expense section in the Valuation subsystem.
- ◆ Mortgage Credit Report: For HUD 92264A—Supplement to Project Analysis Report on page 3, the value in Front Money Escrow does not display for 223(f) projects.